

Progress in Downtown Cleveland

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After suffering from years of economic depression due to suburban sprawl, the city of Cleveland is finally on its way to making a comeback. Developers such as Scott Wolstein with Developers Diversified Realty Inc., Zaremba, and Bob Stark have drawn up lengthy and detailed plans for Cleveland's neighborhoods. The plans include many different housing options and mixed-use buildings to create a community in areas such as the Flat's East Bank and East 12th Street that will once again, draw residents back into the downtown Cleveland area.

Despite its appearance, work has already started to completely turn Cleveland into "the most livable city." The focus at this time is the development of realistic plans that will provide the current and future residents of Cleveland with a viable and sustainable downtown area. This requires affordable housing options (for both rent and ownership), easily accessible amenities, entertainment and job opportunities. Current chairman and CEO of Developers Diversified Realty Inc., Scott Wolstein is working on a project to revitalize the East banks of the once vibrant Flat's district. Wolstein has developed a plan for the East Bank at an estimated cost of 225 million dollars, 65% of which will be financed directly through his company. The remaining 35% will be paid for by Cuyahoga county and Cleveland residents¹. Although this may seem like a large bill for a city in economic depression, it will ultimately provide the citizens of Cleveland with 331 residential units and 255,274 square feet of entertainment and retail space. Furthermore, a large portion of this space is for the United States Defense Finance and

Accountings Service; the new site for the agency will ultimately create more than 500 jobs for the citizens of Cleveland over a two-year period².

Mr. Wolstein is not the only developer looking to improve Cleveland's downtown area; local developer, Zaremba, has developed a plan for the city's new Avenue District on East 12th Street. This plan will provide the city with an additional 400 residential units. With the 5.7% increase in the downtown population over the last thirty years, (the majority of the increase occurring during the 1990s), there is a large demand for affordable downtown living (Birch 5). In order to encourage the move back to the city, and back to an urban lifestyle, the city of Cleveland has promised residents of new or rehabilitated property a 100% tax abatement for 15 years³. Additional bonuses, similar to the tax abatement, are bringing people back into downtown Cleveland. Progressive Urban Real Estate (PURE) is one of the major real estate agencies that specializes in selling urban real estate. In 2004 alone, PURE completed 471 transactions in downtown Cleveland and the surrounding areas. The total income from these transactions was approximately \$50 million dollars. With an average sale price of \$170,000, people are again willing to move into affordable homes in the city and work to make the downtown area a cleaner, safer place to live (Freedman 1).

For city residents around the globe, the definition of a "livable city" may cover a number of ideas and opinions. However, here in the city on the lake it is best defined as the "city that is created by its residents by investing and living in its downtown area," (Rockcastle). New mixed-use buildings will soon be filled with restaurants, shops, nightclubs and residential units, which will attract a new wave of young professionals to

the area. As local developer TJ Asher said, “Perception is reality.” If people perceive Cleveland’s downtown area to be safer and therefore more livable, residents will again be willing to venture out and enjoy what the city has to offer. Revitalization of decaying neighborhoods such as the Flat’s East Bank will help to encourage this behavior.

Once the public concern over safety in the downtown area is addressed, the next major concern about living in downtown Cleveland is transportation. Cleveland is currently considered a “car city.” 120 acres of parking space in downtown enable people to drive to their downtown destinations, wherever they may be. If, however, businesses, retail and residential units were built in close proximity to each other, they could be linked by bike-paths and pedestrian plazas. This would “maximize access and mobility throughout the region while reducing dependence on the automobile,” (CNU)⁴. Plans have already been laid out to do so: Bob Stark of Stark Enterprises has developed a plan to link Public Square in front of Tower City to the up and coming Warehouse District. His one billion dollar project proposes to add one million square feet of retail space and six million square feet of office and residential units to the area. Stark has the success of the popular Crocker Park on the Westside under his belt and feels confident his project will help to jump-start the downtown area along with fellow developers, Wolstein and Zaremba (Ideastream).

Another large project currently underway to address transportation concerns is the \$200 million Euclid Corridor Project. As stated by the Congress for New Urbanism, “corridors are regional connectors of neighborhoods and districts.”⁴ That is exactly what this project will accomplish; the Regional Transit Authority’s new Silver Line will connect downtown Cleveland to uptown’s University Circle. In addition, a “bikes-only”

lane will be added along the same route and continue along a portion of Cleveland's lakefront as well.

As is evident from the above plans, there is much going on in Cleveland in order to restore the downtown image that once existed. After looking at a number of developers' websites, it is also clear that the majority of the people share the same vision as far as what Cleveland needs in order to revive the downtown area. Most plans include upscale townhouses and apartments as well as mixed-use buildings for jobs and entertainment. My main concern is that once the plans are completed there will be an excess of available, empty space. As is mentioned above, the downtown population of Cleveland is increasing at an average rate of 5.7%. While this increase is promising, it may not be enough to fill the numerous housing options that have been planned for the city. More job space will also be available for downtown Cleveland; however, to my knowledge there are already a number of open office spaces available. I am hesitant to believe that creating more space will in turn increase the number of businesses and available jobs in the city. Todd Gabriel, senior vice president of the Grubb & Ellis Company, is also skeptical as to how successful the new projects will be. Due to the 22% vacancy rate downtown, Gabriel relates business and retail in Cleveland to "musical chairs," (Ideastream).

While Cleveland is not currently considered the metropolis it once was, developers, city planners, and politicians are working together to restore that image. Through efforts such as the plan to revamp the Flat's East and East 12th Street, current and future residents of Cleveland will realize what an asset it is to live in downtown

Cleveland. Affordable living will be possible with the building of over 700 new residential units, more jobs will be available in the new mixed-use buildings, and there will be more options for entertainment in downtown Cleveland once again. As of now, Cleveland is considered to have an “emerging downtown,” (Birch 15) The only way to continue forward with the city’s plan for downtown restoration is to show the rest of the world what Cleveland has to offer and encourage people to become a part of the progress.

Notes

¹. Scott Wolstein, CEO and chairman of Developers Diversified Realty Inc., has been given permission to rebuild the Flat's East district with new residential units, mixed-use buildings, and entertainment space. He has agreed to finance 65% of the project himself, with the rest being paid for by the citizens of Cleveland. The plans drawn up by Wolstein for the East banks required the city to give residents and owners currently residing in the area the appraised amount for the property. However, some residents not in favor of the plan, refused to give up ownership, forcing the Cleveland-Cuyahoga County Port Authority to exercise the right of eminent domain in order to seize the land for Wolstein's project.

². Included in Wolstein's plans is the move of the United States Defense Finance and Accounting Service, which is currently located at East 9th Street in the Anthony J. Celebrezze Federal Building. The move to the new building in the Flat's promises to provide Cleveland with over 500 new jobs for its citizens.

³. Zaremba is another developer working to revitalize the downtown area, specifically the area along East 12th Street and St. Clair, which will be known as the Avenue District upon completion. The city of Cleveland has also promised to allow full tax abatement for 15 years to any resident of a new or rehabilitated building in the city, which may be transferable between owners.

⁴. The Congress for New Urbanism is nonprofit group of over 2,500 who work together in order to combat suburban sprawl and at the same time, help cities to become pedestrian friendly. The Charter for New Urbanism was put together in order to clearly state goals and objectives for development and planning in and around metropolises nationwide.

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